



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

March 17, 1992

Mr. Dennis L. Rhine
Interpace Industries, Incorporated
P. O. Box 12118
Ogden, Utah 84412

Dear Mr. Rhine:

Re: Reclamation Contract and Surety, Interpace Industries, Inc. (Interpace), Clinton Pit, M/049/006, Utah County, and Pleasant View Pit, M/057/003, Weber County, Utah

Thank you for providing a Reclamation Contract and amended Irrevocable Letter of Credit (ILOC) to the Division. Unfortunately a separate reclamation contract and surety is required for each mine operation.

Please find enclosed two (2) Reclamation Contracts, one for the Clinton Pit and one for the Pleasant View Pit. We have taken the liberty of filling out each of the contracts for you, except page 7 of 9 (operator page). Please review the contracts for accuracy and correctness, provide the missing information and signatures, and return them to this office. Please find your original Reclamation Contract enclosed.

The Division also requires the surety be revised to follow our current ILOC language (see enclosed LOC form). Interpace will need to provide an ILOC for each mine. The ILOC currently held by the Division will be released/returned upon receipt of the two replacement sureties.

In order to present these matters to the Board of Oil, Gas and Mining for their approval during the April Board Hearing, the Division will need to receive this information no later than Friday, April 3, 1992.

Page 2

Interpace Industries, Inc.

M/049/006 and M/057/003

March 17, 1992

Thank you for your cooperation in completing this permitting issue. Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, reading "Anthony A. Gallegos".

Anthony A. Gallegos
Reclamation Engineer

jb

Enclosures

cc: Lowell Braxton

M049006

File Number _____

Effective Date _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

MAR 03 1992

DIVISION OF
OIL GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/006 M/057/003
(Mineral Mined) Fire Clay Shale

"MINE LOCATION":
(Name of Mine) Clinton Pit Pleasant View Pit
(Description) 5 Miles West of Lehi, Utah 3 Miles North of Pleasant View, Utah
in Utah County in Box Elden and Weber County

"DISTURBED AREA":
(Disturbed Acres) 25.0 +/- 12.0 +/-
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Interpace Industries, Inc.
(Address) 736 West Harrisville Road
P.O. Box 12118
Ogden, Utah 84412
(Phone) 801-782-7933

MISSING
ATTACHMENT A
PG 9/9

4
STREET SIGN OFF
PG 8/9
NOT NEEDED
FOR BANK LOC

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

Dennis L. Rhine

736 West Hannisville Road

P.O. Box 12118

Ogden, Utah 84412

801-782-7933

"OPERATOR'S OFFICER(S)":

Jon J. Rhine

Dennis L. Rhine

Charles T. Tabaracci

"SURETY":

(Form of Surety - Exhibit B)

Letter Of Credit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Sea-First Bank

"SURETY AMOUNT":

(Escalated Dollars)

\$51,500.00

"ESCALATION YEAR":

1997

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Min

"BOARD":

Board of Oil, Gas and Minin

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

11-12-91

12-4-91

This Reclamation Contract (hereinafter r
between Interpace Industries, Inc the "
Oil, Gas and Mining ("Board").

DISBURSED AREA

CLAIMS REVISED

11-12-91

SURETY

12-4-91

entered into
the Board of

WHEREAS, Operator desires to conduc
Intention (NOI) File No. _____ which has been approved by the Utah State
Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act,
Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter
referred to as "Act") and implementing rules; and

Notice of

PLEASANTVIEW
REVISED SURETY
12-4-91

ESCALATION
12
1997

FILE NO. (?)

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Exhibit B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections

are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

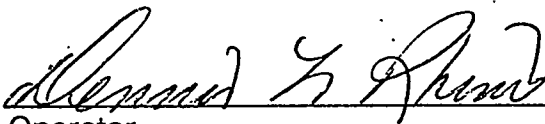
7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

DATE
BLANK
UNTIL BOARD
SIGNATURE

SO AGREED this 2nd day of March


Operator

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY _____
James W. Carter, Chairman
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By _____
Dianne R. Nielson, Director

Date

STATE OF _____)
COUNTY OF _____) ss:

On the _____ day of _____, 19 _____, personally
appeared before me, who being duly sworn did say that he/she, the said
_____ is the Director of the Division of Oil,
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly
acknowledge to me that he/she executed the foregoing document by authority of law
on behalf of the State of Utah.

Notary Public
Residing at: _____

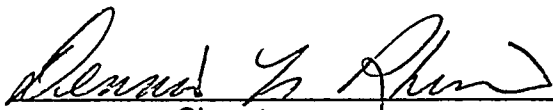
My Commission Expires:

OPERATOR:

Interpace Industries Inc.
Operator Name

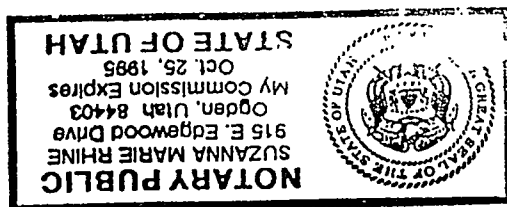
By Dennis L. Rhine Vice-President
Corporate Officer - Position

03/02/92
Date


Signature

STATE OF Utah)
COUNTY OF Weber) ss:

On the 3rd day of March, 19 92, personally
appeared before me Dennis L. Rhine who
being by me duly sworn did say that he/she, the said Dennis L. Rhine
is the Vice-President of Interpace Industries, Inc.
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Dennis L. Rhine duly acknowledged to me that said
company executed the same.



Suzanne Marie Rhine
Notary Public
Residing at: 915 E. Edgewood Dr.

October 25, 1995
My Commission Expires:

MISSING
PAGE 8/9 - SURETY
4/9/9 - ATTACHMENT
A



736 HARRISVILLE ROAD, OGDEN, UTAH 84404 801-782-7933

February 25, 1992

Mr. Steve Melby
Seafirst Bank
Post Office Box C-34997
Seattle, WA 98124

Dear Steve,

I hereby authorize you to increase our existing letter of credit number _____ in favor of the State of Utah from \$25,000 to \$51,500. This is to be backed by a certificate of deposit. You may charge our general account, _____ for the additional \$26,500 to back up this letter of credit.

If you have any questions or need further information please contact myself or Chuck Tabaracci.

Sincerely,

Jon J. Rhine
President



SEATTLE-FIRST NATIONAL BANK

MEMBER FDIC

L/C NO:

PAGE: 1

INTERNATIONAL TRADE OPERATIONS
800 FIFTH AVENUE, FLOOR 31, SEATTLE, WASHINGTON 98104
P.O. BOX 3977, SEATTLE, WASHINGTON 98124

FEBRUARY 28, 1992

BENEFICIARY:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
3 TRIAD CENTER, SUITE 350
355 WEST NORTH TEMPLE
SALT LAKE CITY, UTAH 84180-1203

ACCOUNT PARTY:

INTERPACE INDUSTRIES, INC.
12502 132ND AVE NE
KIRKLAND, WA 98034

OUR LETTER OF CREDIT NUMBER _____ DATED DECEMBER 9, 1988
IN FAVOR OF YOURSELVES IS AMENDED AS FOLLOWS:


1. AMOUNT IS INCREASED BY 26,500.00 U.S. DOLLARS
TO A NEW TOTAL OF 51,500.00 U.S. DOLLARS.

NOTE: OUR L/C NUMBER 70764-G HAS BEEN CHANGED TO READ AS
PLEASE ADJUST YOUR RECORDS ACCORDINGLY.

THIS LETTER OF CREDIT IS OTHERWISE UNCHANGED. THIS IS AMENDMENT
NUMBER 001

THIS AMENDMENT CONSTITUTES AN INTEGRAL PART OF AND MUST BE
ATTACHED TO THE ORIGINAL CREDIT.

YOURS FAITHFULLY,



AUTHORIZED SIGNATURE
JOSEPH CORPUS

RECEIVED

MAR 04 1992

DIVISION OF
OIL GAS & MINING